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MINISTRY OF INTERNATIONAL TRADE

RESOLUTION

TARIFFS

New Delhi, the 19th November 1963

No. 13(3)-Tar/63.—The Tariff Commission has submitted its Report on the continuance of protection to the industry manufacturing A.C.S.R. (Aluminium Conductor Steel Reinforced) and A.A.C. (All Aluminium Conductor) on the basis of an inquiry undertaken by it under Sections 11(e) and 13 of the Tariff Commission Act, 1951 (50 of 1951). Its recommendations are as follows:—

- (1) Protection to the industry manufacturing A.C.S.R. and A.A.C should be continued for a further period of three years ending 31st December, 1966 and the rate of protective duty should be reduced to 25 per cent. *ad valorem*.
- (2) The existing policy of allowing imports of E.C. grade aluminium ingots/bars/rods for A.C.S.R. and A.A.C at the concessional duty of 15 per cent. *ad valorem* plus Rs. 360/- per tonne should be continued.
- (3) Government should give a careful consideration to the whole matter of production of E.C. grade aluminium and formulate an integrated plan in respect of the utilisation and expansion of the different processes of manufacturing E.C. grade aluminium rods to facilitate development of the industry on sound and economic lines and bring such a plan to the notice of the producers of aluminium to guide their programme of manufacture.
- (4) In consonance with the policy of developmental protection the complications arising from the existing compartmental control of import licence for steel rods required for the manufacture of H.T.G. steel wire should not be allowed to stand in the way of a healthy progress of the protected industry and Government should take early steps for removing these difficulties with a view to ensuring adequate supply of imported rods such as would facilitate a full utilisation of the installed capacity of wire manufacturers.
- (5) With the total capacity already sanctioned and with expeditious implementation thereof it should be possible for the industry to meet the estimated demand for A.C.S.R. and A.A.C during the next three years. The representations of the industry against licensing of further expansion during the Third Plan period deserve careful consideration by Government.
- (6) The indigenous availability of E.C. grade aluminium will continue to be short of the requirements for the manufacture of A.C.S.R. and A.A.C. and the industry will have to depend substantially on imports of the material for the next few years.

- (7) To ensure a smooth working of the industry by avoiding undesirable bottlenecks at any stage a flexible import policy would be called for to meet the gap between estimated production of A.C.S.R. and A.A.C and indigenous availability of E.C. grade aluminium from year to year in the form most needed for the effective utilisation of installed capacity.
 - (8) Manufacturers of E.C. grade aluminium should take serious notice of the complaints about high prices charged by them and explore ways and means for reducing costs and prices.
 - (9) The A.C.S.R. and A.A.C industry, which has now made good progress, should spare no efforts to promote exports even if with all incentives given, it involves no profits at present.
 - (10) In view of the difficulties and delay now experienced by the producers of A.C.S.R. and A.A.C in obtaining supplies of imported raw materials under D.L.F. terms and the heavy orders reported to have been placed with them, the consumer organisations concerned should consider the feasibility of meeting the request of the industry for phasing their orders to the extent that it may be permitted by better planning of their project requirements.
2. Government accept recommendation (1) and necessary legislation will be undertaken in due course. The reduced protective duty of 25 per cent. *ad valorem* recommended by the Commission is being brought into force with effect from to-day by a Notification under Section 4(1) of the Indian Tariff Act, 1934.
3. Government also accept recommendation (2).
4. Government have taken note of recommendations (3) to (7) and steps will be taken to implement them as far as possible.
5. Attention of the manufacturers of E.C. grade aluminium and the A.C.S.R and A.A.C. is drawn to recommendations (8) and (9).
6. Attention of consumers of A.C.S.R. and A.A.C. is drawn to recommendation (10).

ORDER

Ordered that the Resolution be published in the Gazette of India and a copy thereof be communicated to all concerned.

NOTIFICATION

TARIFFS

New Delhi, the 19th November, 1963

No. 13(3)-Tar/63.—Whereas the Central Government is satisfied, after due inquiry, that the duty chargeable under the First Schedule to the Indian Tariff Act, 1934 (32 of 1934), in respect of A.C.S.R. (aluminium conductor steel reinforced) and A.A.C. (all aluminium conductors) specified in item No. 72 (12) of the said Schedule, and characterised as protective in the third column thereof, had become excessive for the purpose of securing the protection intended to be afforded by it to similar articles manufactured in India;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 4 of the said Act, the Central Government hereby reduces, with effect from the 19th November, 1963 that portion of the duty of customs leviable on the said articles and specified in the said First Schedule, which is in excess of 25 per cent. *ad valorem*.

H. D. SHOURIE, Joint Secy.